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December 21, 2010

Stoll Keenon Ogden PLLC  
Attention: Lindsey W. Ingram III  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801

Re: Kentucky American Water Company  
Petition for Confidential Protection received 4-30-10  
PSC Reference #: 2010-00036

Dear Mr. Ingram:

The Public Service Commission has received the Petition for Confidential Protection you filed on April 30, 2010 on behalf of Kentucky American Water Company ("KAWC"), to protect certain information filed with the Commission as confidential pursuant to Section 7 of 807 KAR 5:001 and KRS 61.878. The information you seek to have treated as confidential is identified as being contained in KAWC's Responses to Items 22 and 23 of the Commission's 2<sup>nd</sup> Data Request dated 4-9-10. The information is more particularly described as (Item 22): projections supporting estimated OPEB expenses; and (Item 23): studies, reports and analyses from Towers Perrin, used to develop pension projections. .Petition also states that KAWC's Responses contain actuarial information relating to employee benefits and is governed by Securities and Exchange Commission "Regulation FD".

Your justification for having the Commission handle this material as confidential is that the public disclosure of the information would compromise KAWC's competitive position in the industry, which would result in an unfair commercial advantage to its competitors.

Based on a review of the information and pursuant to KRS 61.878 and 807 KAR 5:001, Section 7, the Commission has determined that the information requested to be held confidential is of a proprietary nature, which if publicly disclosed would permit an unfair commercial advantage to KAWC's competitors. Therefore, the information requested to be treated as confidential **meets the criteria for confidential protection** and will be maintained as a nonpublic part of the Commission's file in this case. The procedure for

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usage of confidential materials during formal proceedings may be found at Section 7(8) of 807 KAR 5:001.

If the information becomes publicly available or no longer warrants confidential treatment, Kentucky American Water Company is required by Section 8(9)(a) of 807 KAR 5:001 to inform the Commission so that the information may be placed in the public record.

Sincerely,



Jeff Derouen  
Executive Director

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cc: Parties of Record